

Town of Westford



Fiscal Year 2015 Budget Message

Jodi Ross
Town Manager
November 12, 2013

Goals for FY2015 Budget

- Adhere to BoS FY15 Budget Direction policy
- Maintain current level of services
- Sustain town assets through capital investment
- Establish Health Insurance Stabilization Fund
- Fully fund Water OPEB liabilities; expand contributions to town/school OPEB Trust Fund
- Maintain reserves above minimum recommended levels to prepare for pending contractual obligations

FY 15 Budget Guidelines

- Requested a “level-services” budget for town departments
- No new town positions
- School Department received a 4.58% increase and other town departments received a 4.44% increase
- Decrease of 6.46% to Debt Service and .04% to Unclassified
- Restored Library Municipal Appropriation Requirement

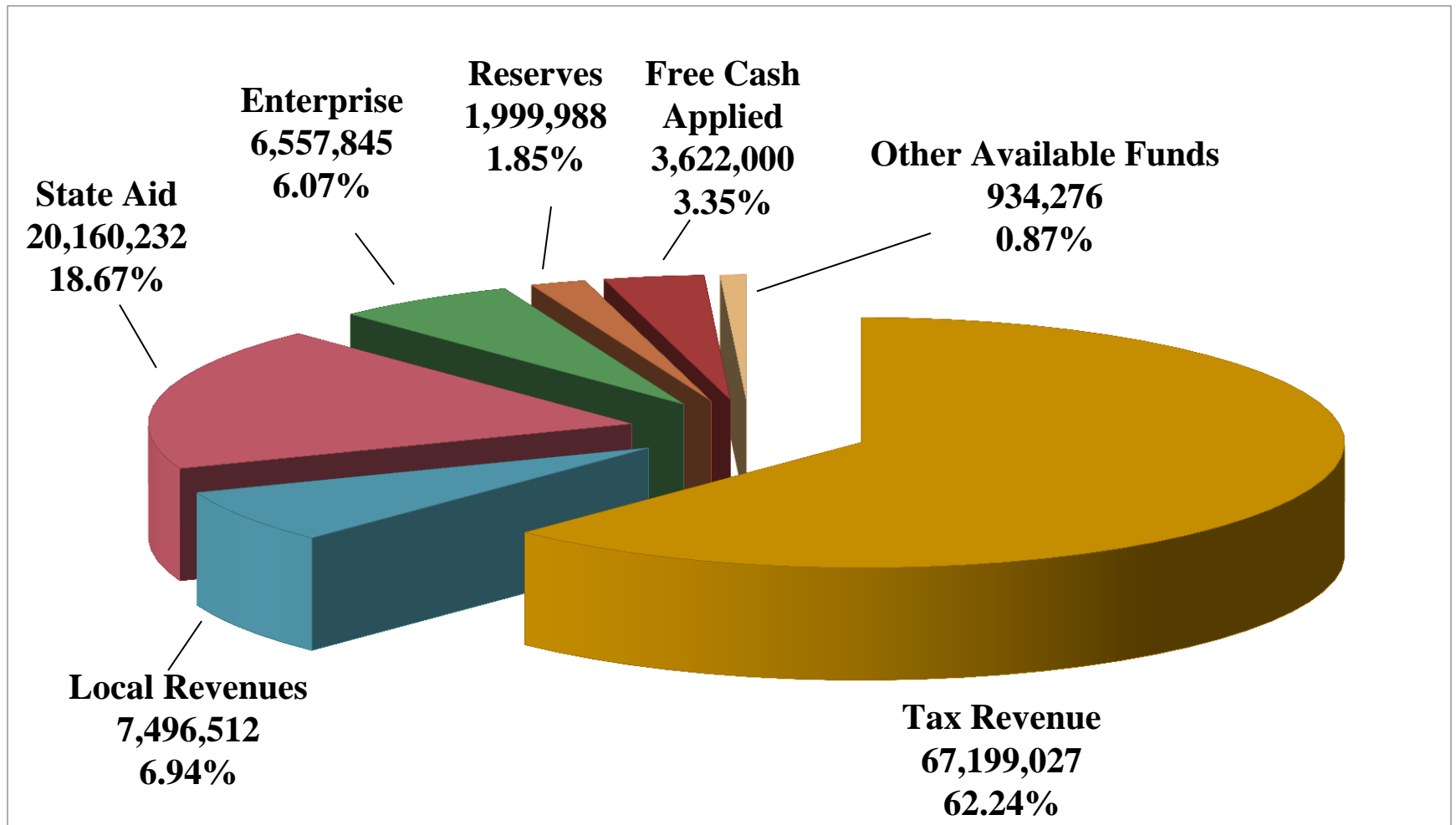
FY15 Projected Revenues

Tax Revenue	\$67,199,027
Local Revenue	7,496,512
State Aid	20,160,232
Enterprise Revenue	6,557,845
Reserves Applied	1,999,988
Other Available Funds	934,276
Free Cash	3,622,000
Total	\$107,969,880

FY 15 Projected Revenues

- Current Reserves of \$8.4M (9%) reduced to \$5.3M (5.5%)
- Examples of appropriations from Free Cash include:
 - \$500,000 to OPEB
 - \$500,000 to Health Insurance Stabilization Fund
 - \$500,000 to Capital Stabilization
 - \$2.5M in Capital “pay-as-you-go”
- Local Revenue projected increases of 2.5%
- \$1M new growth estimate
- Level State Aid projection
- FY14 Closeout at \$2.5M

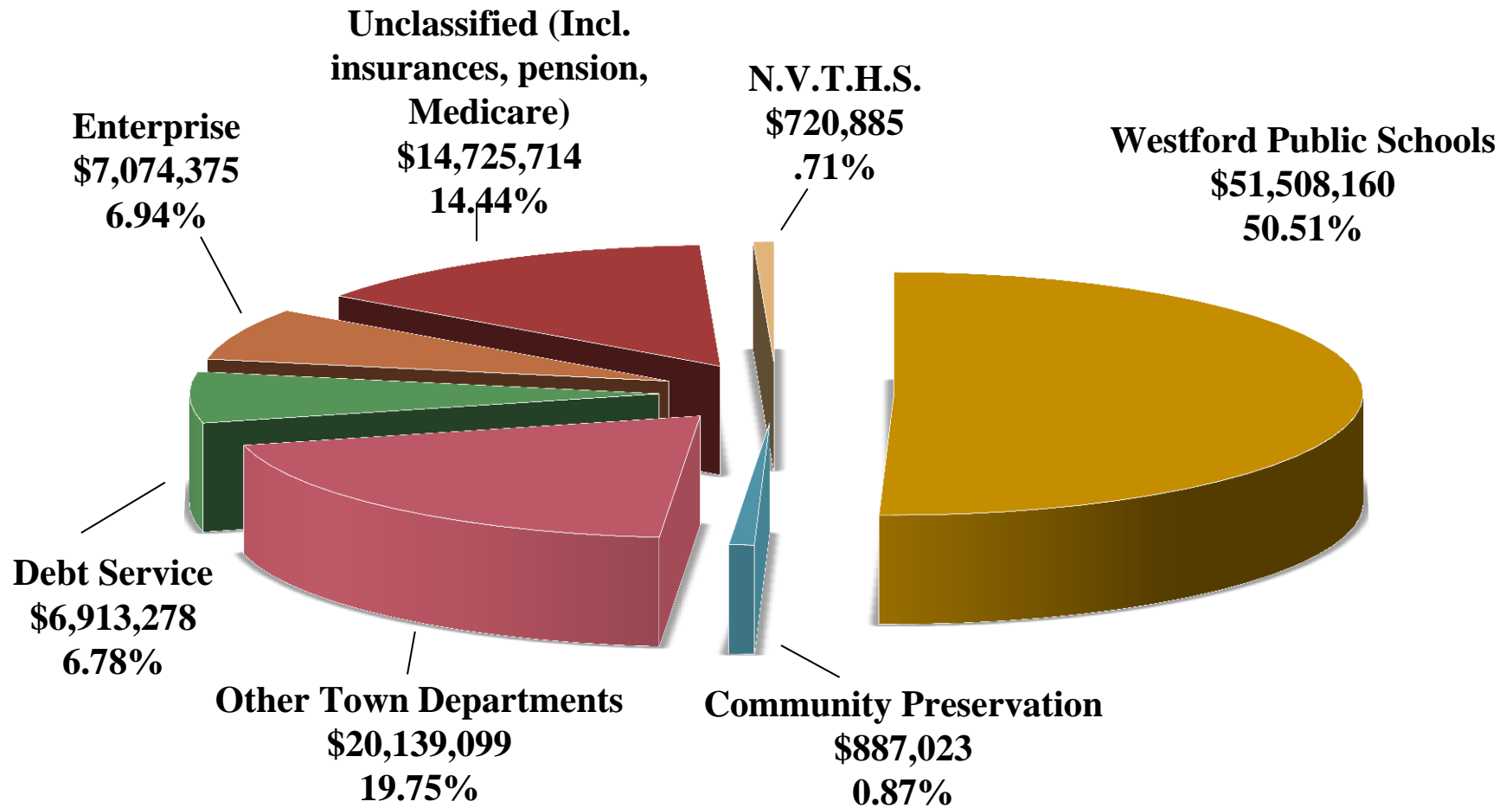
FY15 Estimated Revenues



FY15 Projected Expenditures

Westford Public Schools	\$51,508,160
Community Preservation	887,023
Other Town Departments	20,139,099
Debt Service	6,913,278
Enterprise	7,074,375
Unclassified	14,725,714
N.V.T.H.S.	720,885
Other Amounts to be Raised	6,001,346
Total	107,969,880

FY15 Operating Budget



FY 15 Budget Highlights

- Westford Public Schools – additional \$2,256,594; other town departments – additional \$883,024
- Established Health Insurance Stabilization Fund at \$500,000 to allow reduction of Health Insurance budget increase from 12% to 8%
- Funded \$2,500,000 in Capital Appropriations, \$500,000 in Capital Stabilization
- \$1,000,000 Non-excluded debt in outlying years
- Funded Town/School OPEB at \$500,000
- Fully funded Water Enterprise OPEB at \$700,000

FY 15 Budget Highlights

- Increased snow & ice budget to \$400,000
- Funded perchlorate remediation at \$250,000
- Reserved \$100,000 for new wastewater treatment plant budget
- Restored Library funding to meet Municipal Appropriation Requirement (MAR)
- Increased Veterans' Services Expenses - \$42,000
 - 75% reimbursement from state

Health Insurance Overview

- Enrollment as of Nov 1, 2010 967
 - Enrollment as of Nov 1, 2011 964
 - Enrollment as of Nov 1, 2012 997
 - Enrollment as of Nov 1, 2013 (est) 1,009
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- Approximately 62% of eligible employees on town's plan
 - Increased co-pays, plan design changes – Nov 1, 2012
 - Switched to Blue Cross Blue Shield – Nov 1, 2013
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- FY10 Actual Expense \$6,455,172
 - FY11 Actual (14.3% increase) \$7,378,422
 - FY12 Actual (8.9% increase) \$7,724,048
 - FY13 Actual (5.7% increase) \$8,166,078
 - FY14 Budget (1.4% rate increase 11-1-13) \$10,131,521
 - FY15 Budget allows for an 8% increase on 11-1-14 \$9,467,933

Recommend establishment of a \$500,000 Health Insurance Stabilization Fund

Other Post Retirement Benefits

- The current liability decreased from \$72M to \$50M with the 36.5% decrease to Medex Plan
- Working on formal policy regarding OPEBs
- Town/Schools FY15 funding \$500,000, \$700,000 in FY16, and \$900,000 in FY17
- Water Enterprise to fully fund \$700,000 in FY15

Public Facilities

- Awaiting town-wide facility condition assessment – completion date spring 2014
- CPC funding applications being filed
- Funded \$500,000 to capital stabilization to prepare for building maintenance needs as recommended in facility assessment

Capital Appropriations

- Capital Planning Committee
 - \$55M in requests from FY15 to FY18
- FY15 Recommendation - \$3.0 million
 - \$2.5 million budgeted for “pay as you go”
 - \$.5 million to Capital Stabilization
 - Capital Stabilization balance is \$265,730
 - Figure does not include borrowing request for Day & Robinson Schools replacement windows

Budget Impacts from FYs 13 & 14

- Settled 11 of 12 contracts for 0% COLA - froze steps in FY12 – 1% COLA and double step in FY14 (teachers)
- Town collective bargaining agreements not settled for FYs 14-16
- Switch from Tufts to Blue Cross Blue Shield 11/1/13 for 1.4% premium increase, \$36.5% Medicare decrease – projected closeout of \$1.5 million
- Local Revenues exceeded projections by \$665,760
- New Growth \$1,850,000
- 1.05% increase in State Aid

Budget Variables

- Health Insurance
- N.V.T.H.S. Assessment
- OPEB funding
- Collective bargaining agreements
 - No town contracts are settled in FY14 and beyond
 - IAFF in arbitration
- State aid (level budgeted for FY15)

Budget Variables

- Ongoing perchlorate remediation expenses
- Storm response & cleanup expenses
- Snow & ice deficits
- Stormwater regulations
- Infrastructure and facility-related capital requests and building maintenance needs

Conclusion

Thank you to our board members, department heads, employees, and volunteers for your creativity, collaboration, countless contributions, and most of all, for your unwavering dedication and commitment to our community.